

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA . CR. NO. H-16-408-7
VS. . HOUSTON, TEXAS
CHARLES EARL GROB, JR. . FEBRUARY 3, 2020
10:25 A.M. to 10:56 A.M.

TRANSCRIPT of SENTENCING
BEFORE THE HONORABLE VANESSA D. GILMORE
UNITED STATES DISTRICT JUDGE

APPEARANCES:

FOR THE GOVERNMENT: MR. JUSTIN R. MARTIN
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P R O C E E D I N G S

THE COURT: United of America versus Charles Grob.

For the United States?

MR. MARTIN: Justin Martin for the United States.

THE COURT: And then for the defendant then, please?

MR. ARDOIN: Good morning, Your Honor. Jimmy Ardoin
on behalf of Mr. Grob, who's present in the courtroom.

THE COURT: All right.

THE DEFENDANT: Good morning, Your Honor.

THE COURT: Good morning. We're here this morning for
a sentencing. Mr. Martin, did you see the presentence
investigation report and the addendum to that report?

MR. MARTIN: Yes, Your Honor.

THE COURT: And, Mr. Ardoin, have you and your client
had a chance to review the presentence investigation report as
well as the addendum?

MR. ARDOIN: Yes, Your Honor.

THE COURT: Then the presentence investigation report
and the addendum will be placed into the record under seal. In
the event that there's any appeal of this case, the only
portion that will not be disclosed will be that portion that
contains a sentencing recommendation from the probation
department to the Court.

There were no objections by the United States or
by the defense. Mr. Ardoin, did you find any mistakes or

1 anything that could have an impact on sentencing?

2 *MR. ARDOIN:* No, Your Honor.

3 *THE COURT:* All right. Then the Court adopts the
4 presentence investigation report and the addendum, finds that
5 the statutory range of punishment is not more than five years.
6 Supervised release, not more than three years. Fine, not more
7 than 250,000. Restitution undetermined at this date. Special
8 assessment is \$100.

9 Under the Sentencing Guidelines, based on a total
10 offense level of 33 and a criminal history category of I,
11 provides for a guideline range of 135 to 168, which becomes 60
12 months under 5G of the Sentencing Guidelines. Supervised
13 release term of one to three years. Fine range, 17,500 to
14 175,000. Restitution undetermined at this time. Special
15 assessment is \$100.

16 All right. Mr. Ardoin, what would you like to
17 say on behalf of your client, please?

18 *MR. ARDOIN:* Yes, Your Honor. I filed a sentencing
19 memorandum, which I'm sure the Court is aware of.

20 *THE COURT:* Yes, I think I got it. Yes.

21 *MR. ARDOIN:* And I know it's a very aggressive request
22 in this case given the loss amount and everything, but I am
23 requesting probation.

24 *THE COURT:* Yeah, I didn't get that.

25 *MR. ARDOIN:* I know, Your Honor.

10:27:19 1 *THE COURT:* I read it, and I was like why. How is
2 this a probation case?

3 *MR. ARDOIN:* I understand, Your Honor. And I know
4 it's a --

10:27:25 5 *THE COURT:* I mean, the guideline range is 135 to 168.
6 He's already getting a gift.

7 *MR. ARDOIN:* I know. I think you and I have been down
8 that road in cases before.

9 *THE COURT:* Yeah.

10:27:33 10 *MR. ARDOIN:* So I understand the Court's perspective
11 on that. But I would direct the Court to the attachment to the
12 PSR, which was this sale of stock --

13 *THE COURT:* Right.

14 *MR. ARDOIN:* -- chart. It's 50 million dollars' worth
10:27:45 15 of sale of stock. Mr. Grob is not on it. Not a single line of
16 this applies to Mr. Grob. He never sold any stock. He didn't
17 profit out of the stock sales.

18 *THE COURT:* So, but you're saying that -- are you
19 trying to say he didn't profit at all?

10:28:01 20 *MR. ARDOIN:* No, I'm not saying that. I'm not saying
21 he didn't profit at all. He was paid his salary. He gained a
22 total of \$242,000 --

23 *THE COURT:* Right.

24 *MR. ARDOIN:* -- as part of this. And, you know, he
10:28:10 25 was brought into this by a close friend of his who was

1 associated with the group who was never charged. Initially he
2 believed this to be a legitimate venture, but it turned out it
3 was not and he realized it was not, but he stuck with it. And
4 there's no justification. And he'll tell you there's no good
5 excuse for why he stayed in. Whether he felt trapped or I know
6 the PSR recognizes he's had a lot of mental health issues and
7 substance abuse issues, whether those contributed to why he
8 stayed and needing the paycheck and the money, I'll let him
9 address that.

10 But the reality is if you look at the factual
11 allegations of what was laid out, he just did what everybody
12 told him to do. There was no independent thought on his part
13 in terms of the press releases, in terms of the phone calls.
14 He was basically given a script by Mr. Farmer and Mr. Massey.
15 Those were the two. In fact, there were -- and I don't think
16 it made it into the PSR, but there were several statements by
17 Mr. Massey where he even describes that, you know, Mr. Grob was
18 not -- he should have never even been the CEO. That he was --
19 you know, he just did what we told him to do, that that was all
20 he was good for. That Mr. Massey, in fact, felt that he should
21 be the CEO running the organization and doing everything,
22 because that's what he was essentially doing.

23 Now, Mr. Massey, of course, pled first. He was
24 the first one to come in. He did the deal pre-indictment.
25 Mr. Grob was the second one to plead. He was part of the

1 second wave that came in. And he was the first one of the
2 second group, the larger group to cut a deal, and he was ready
3 to come in and testify against everyone else.

4 So I think in terms of his role, he's clearly
5 less culpable than the others. Far less culpable than the
6 others in terms of what he actually profited from them and what
7 he -- he was essentially, even though he knew what he was
8 doing, he was really a puppet at the end of the day, doing
9 what --

10 *THE COURT:* You're saying his culpability is less
11 because he got less money?

12 *MR. ARDOIN:* Well, I think that that's part of it. I
13 think that part of it is he was also -- he was more of a, like
14 I said, just more of a -- someone who was directed on what to
15 do. He knowingly did it. There's no doubt about that. And
16 he'll tell you that. He knowingly did the sham investor
17 agreements. He went out and they got him -- you know, they
18 asked him to go get his friends and family to do it, and that's
19 what he did. There's no doubt about that. And he got a lot of
20 people involved in this case and ruined a lot of friendships
21 because of it, with the SEC case and everything else.

22 I think that even though he had the title of CEO,
23 that's really not what he was. Farmer and Massey were
24 effectively the CEOs running everything behind the scenes. The
25 CEO title in his case is nothing more than them putting

10:31:13 1 somebody else out there to be -- you know, to kind of fly under
2 the radar undetected, if you will, until people started to
3 realize what was going on.

4 And as the facts would bear out, when FINRA
10:31:23 5 called, when everybody else called -- was making the calls to
6 Mr. Grob, he won't talk to them without first going to Massey
7 and Farmer and say, What do I say here? What's going on?
8 That's, you know, that's when everything starts to really
9 unravel in terms of the whole scheme, if you will, is that he
10:31:41 10 starts getting calls from news outlets. And he won't -- he
11 won't say anything to people without Massey or Farmer right
12 there by his side to answer those phone calls.

13 And so, yes, he had a role. There's no doubt
14 about it. But he was not, even though his title was CEO, he
10:31:58 15 was not the main person in this thing. I think the sale of
16 stock bears that out. 50 million -- 50 million sales of
17 stock -- 50 million dollars' worth of sale of stock, he's not
18 on one single line of this. And so that's just part of it, but
19 I think the other is --

10:32:14 20 *THE COURT:* In terms of you mean having made money out
21 of it?

22 *MR. ARDOIN:* Correct.

23 *THE COURT:* But how many lines is he on it in terms of
24 which of these -- which companies he got investors to come in
10:32:28 25 and invest?

10:32:29 1 *MR. ARDOIN:* So Chimera, which is the only one on this
2 list that he was involved with. So it's 1, 2, 3, 4, 5, 6, 7,
3 8, 9, 10, 11, 11 lines on here. And they're all Eddie Austin,
4 Scott Sieck, some other entities on behalf of those people or
10:33:06 5 on behalf of Andrew Farmer. He wasn't associated with the
6 stock sales. He was certainly associated with the pump and
7 signing the press releases, talking to the media, getting the
8 straw investors to help them even get to the IPO. The straw
9 investors were all these people --

10:33:25 10 *THE COURT:* What he did was an integral part of this
11 whole scheme. Without his participation, the scheme wouldn't
12 have worked. I mean, what he did in terms of --

13 *MR. ARDOIN:* I agree with that, Your Honor, but I
14 think based upon the fact that essentially Farmer and Massey
10:33:40 15 were pulling the strings, it could have been anybody. It just
16 so happened to be him. It just so happened to be Mr. Grob.

17 *THE COURT:* Which is why he's standing here.

18 *MR. ARDOIN:* Correct. But what I'm saying is, that he
19 was not an integral part. They could have pulled this scheme
10:33:55 20 off with anybody else. It wasn't --

21 *THE COURT:* I know, but I mean in terms of his
22 involvement, I'm just talking about what he did.

23 *MR. ARDOIN:* Right.

24 *THE COURT:* He was an integral part of this whole
10:34:03 25 scheme. If he hadn't done what he did, it wouldn't have

10:34:07 1 worked. I mean, I'm only talking about what his role was --

2 *MR. ARDOIN:* Completely agree, Your Honor.

3 *THE COURT:* -- in this particular case, not the fact
4 that anybody could have done this. You know, you could have
10:34:15 5 don it. Anybody could have done it.

6 *MR. ARDOIN:* Absolutely, Your Honor.

7 *THE COURT:* But you didn't.

8 *MR. ARDOIN:* Right.

9 *THE COURT:* He's the one who did it.

10:34:20 10 *MR. ARDOIN:* That's right. And I'm not trying to --
11 I'm not trying to lessen his role. I'm trying to distinguish
12 him from where the others are in this whole -- in this whole
13 thing. And so I think that's where he stands in terms of the
14 overall role of the company.

10:34:33 15 Now, in terms of what he's done since this, which
16 I think also helps bear upon my request, is that he settled the
17 case with the SEC. He's paid back almost half of what he
18 agreed to pay the SEC back at this point. He's working with
19 the receiver to identify more assets to help satisfy that
10:34:55 20 judgment, which we're hopeful that that should be satisfied
21 soon. There's a sale of a home, which should hopefully satisfy
22 that and also be used to go to further restitution in this
23 case.

24 I think the other things that he's done is he's
10:35:10 25 gone out and he's gotten -- he's been in treatment for alcohol.

10:35:14 1 He's been to AA. He's been in mental health treatment. He's
2 been in both of those. And, also, he's set up a new company
3 where he's actually making a legitimate living for himself and
4 employing other people, as a general contractor. And I know I
10:35:31 5 included letters from some of his customers, who know him to be
6 nothing but an honest and ethical businessman when dealing with
7 him.

8 And so I think in terms of what he's done since
9 this -- I mean, this -- he left in 2014, and the SEC case was
10:35:47 10 filed not long after that. So he knew this day was coming,
11 Your Honor. I mean, he knew that this was going to be the end
12 result. Now six years later did he know that that -- that it
13 was going to be coming? I probably think that he anticipated
14 it was going to be a lot sooner than six years from the SEC
10:36:04 15 falling in on everybody. But in that six years time, he's done
16 everything that I think you could ask of somebody to do to turn
17 his life around and make the turn away from being a part of
18 illegal conduct and being a part of groups like this. He's
19 gone out and he's set up a thriving new business, helping
10:36:23 20 people during -- after Hurricane Harvey. I mean, I think that
21 he has -- he has really shown what we want of everybody who
22 goes through this system, and that is, to turn their life
23 around.

24 And I know it's a big request to go from what
10:36:44 25 would be an over ten-year sentence down to probation, that he

10:36:49 1 pled to the original count, I realize that. But I think that
2 there are characteristics of him that warrant consideration for
3 it.

4 *THE COURT:* Mr. Grob, what would you like say on your
10:37:10 5 own behalf, sir?

6 *THE DEFENDANT:* Your Honor, I'm truly sorry for all of
7 the pain that my actions have caused. The pain that it has
8 caused those who lost money because of my actions. The pain
9 that it has caused my family, including my mother and my uncle,
10:37:24 10 who are here today. And to those who were once my friends, who
11 I involved in this scheme and I'm sorry that I dragged their
12 names through this mess. Like Jimmy said, I got --

13 *THE COURT:* Did you recruit friends and family to be
14 investors in this, too?

10:37:43 15 *THE DEFENDANT:* It was a different -- it was
16 considered -- it's not selling stock on the open market. It's
17 very small amounts, maybe a couple hundred dollars here and
18 there is what it was. At this point in time, I thought this
19 was a legitimate investment.

10:37:57 20 *THE COURT:* So is that a "yes"?

21 *THE DEFENDANT:* Yes. Yes.

22 *THE COURT:* Okay. Okay.

23 *MR. ARDOIN:* And if I may pause there, Your Honor,
24 this was -- they needed these investors to be able to take it
10:38:06 25 to an initial public offering. And he didn't understand how

10:38:11 1 this all worked until he later looked at it and saw that what
2 he had done was -- with regard to that was incorrect and -- but
3 he still continued to sign these press releases and everything
4 else. So that's how this whole thing came about, was they
10:38:26 5 needed a certain number of investors in order to take the
6 company public. And so he recruited --

7 *THE DEFENDANT:* Right.

8 *MR. ARDOIN:* -- friends and family to become those.
9 And that's what they refer to as the straw investors, Your
10:38:36 10 Honor.

11 *THE DEFENDANT:* And none of those investors lost money
12 or anything like that in that particular stage of the
13 investment process.

14 *THE COURT:* I'm sorry. Speak up.

10:38:43 15 *THE DEFENDANT:* None of those friends and family --
16 none of those S-1 and early investors were harmed financially.

17 *THE COURT:* Oh, okay.

18 *THE DEFENDANT:* Like Jimmy said, I got in this ordeal
19 by trusting one of my closest friends going back to Boy Scouts,
10:38:58 20 since we were knee high. I did not come into it with the
21 intention of committing a fraud. Somewhere along the way, I
22 should mention, things kind of became apparent, not overnight,
23 through a series of events, that this was not a legitimate
24 endeavor. And this is when I kind of freaked out and felt
10:39:19 25 stuck. I was the CEO of this company. I didn't know what else

10:39:22 1 to do. I was assured by the others that everything was
2 legitimate. And then, you know, I didn't -- I stayed there,
3 and that's the biggest mistake I made. I own that. I should
4 have cut and run for the hills and not listen to what I wanted
10:39:38 5 to believe. I should have seen the light and run the other way
6 and --

7 *THE COURT:* Why didn't you?

8 *THE DEFENDANT:* I don't have a good excuse, other than
9 the fact that I was trapped -- I felt trapped. I didn't know
10:39:51 10 what to do. I should have. That's a mistake of mine. I own
11 that. I'm here to own that mistake. That was, like I said,
12 probably the worst decision of my life.

13 And I've known this day has been coming six,
14 sevens years, since the SEC came in. During this time I've
10:40:10 15 dealt with many hardships, including the death of my father and
16 my grandfather. I'm divorced because of this. My reputation
17 and many of my personal relationships are just destroyed.

18 I understand asking for probation is a big
19 request in light of these allegations and I know it's not
10:40:31 20 something that is handed out often in federal court. But I
21 want the Court to know that I have been doing everything in my
22 power to better my life and do what I set out to do after I
23 graduated the business school of fraud, joined this group,
24 which is running a successful start-up company. Over the past
10:40:48 25 five years, I've done just that. Now I have clients and

10:40:51 1 workers that do depend on me on a daily basis. I'm afraid that
2 incarceration will destroy all the efforts that I put forth.
3 While I'm hoping for probation, no matter what, I have turned
4 my life around and I will never involve myself in any kind of
10:41:05 5 conduct or associate with any types of people of this nature
6 again, I promise you that.

7 *THE COURT:* Mr. Martin, anything from the United
8 States?

9 *MR. MARTIN:* I agree with the defense that some of
10:41:30 10 these enhancements may not be capturing the true culpability of
11 the defendant.

12 *THE COURT:* Like what?

13 *MR. MARTIN:* The officer, director enhancement. I
14 think that, as a plus four enhancement, I think that is sort of
10:41:43 15 meant in a situation where the defendant is taking a leadership
16 type of role in the company. Whereas in this situation this
17 defendant was clearly not in a leadership position. He was
18 following instructions of the other defendants.

19 *THE COURT:* Okay.

10:41:58 20 *MR. MARTIN:* The prior order enhancement, he had left
21 the conspiracy -- that's capturing the fact that it was -- that
22 if the crime was in violation of some prior judicial order, you
23 get the two-level enhancement. The only -- the Chimera SEC
24 injunction came after he left the conspiracy. The injunction
10:42:27 25 for Chimera was entered in 2015, but this defendant left in

1 2014. There were two prior injunctions for Solar America. I
2 did not see any evidence in this case that he was aware of
3 those injunctions against Eddie Austin and Carolyn Austin. He
4 may have been, but I don't have any evidence of it. So I'll
5 just --

6 *THE COURT:* Are you talking about the offense
7 characteristic in Paragraph 82?

8 *MR. MARTIN:* Yes.

9 *THE COURT:* Okay.

10 *MR. MARTIN:* So his conduct did come after an SEC
11 injunction against Eddie Austin and Carolyn Austin for Solar
12 America.

13 *THE COURT:* Uh-huh.

14 *MR. MARTIN:* I just didn't see any evidence that he
15 was aware of that, because he wasn't in the inner circle of the
16 defendants. He wasn't a partner in the organization. And I've
17 seen -- and what I was going to discuss was that one of the
18 things I noticed when I was prosecuting this case is that this
19 defendant is, my position and the position of the United
20 States, is certainly the least culpable defendant of all the
21 defendants that were charged in this case.

22 *THE COURT:* So he made the least money too, I guess,
23 huh?

24 *MR. MARTIN:* Yes.

25 *THE COURT:* It guess that kind of goes hand in hand,

10:43:42 1 huh?

2 MR. MARTIN: Yeah, he was -- he was just given a flat
3 salary. He was not a decision-maker. He was following the
4 instructions of the other defendants. And, again, not in the
10:43:51 5 inner circle, so he was definitely kept in the dark on some
6 aspects of the fraud, particularly the foreign aspects. I see
7 no evidence that he was aware of all the foreign accounts and
8 the foreign nominees that the defendants were using.

9 In light of those factors and in my view that
10:44:13 10 some of the enhancements may not be as applicable, I don't
11 think it's as much of a departure as it would be otherwise. My
12 recommendation is a sentence below 60 months, and I would
13 recommend 36 months.

14 *(Judge conferring with the probation officer at the bench,*
10:44:37 15 *off the record.)*

16 THE COURT: All right. The Court will state the
17 sentence at this time. The lawyers will have a final
18 opportunity to make any objections before the sentence is
19 imposed.

10:46:40 20 It is the judgment of this Court that the
21 defendant, Charles Grob, is hereby committed to the custody of
22 the Bureau of Prisons to be imprisoned for 12 months and 1 day.

23 The defendant stands before this Court having
24 entered a plea of guilty to conspiracy to commit wire fraud.

10:46:55 25 His involvement lasted from 2011 through 2014. The criminal

10:47:02 1 scheme perpetrated by the defendant and his accomplices
2 centered on securities fraud and defrauded -- that defrauded
3 investors of their money by fraudulently manipulating the
4 market price and demand for various microcap securities
10:47:17 5 commonly referred to as penny stocks, which after being
6 artificially inflated were dumped for financial gain.

7 Although the defendant and his accomplices
8 profited, the security investors lost millions. The defendant
9 was listed as the CEO of Chimera Energy in 2011, and his role
10:47:39 10 was to follow the instructions that were given to him by the
11 group's partners, which included approving press releases and
12 spreading company -- spending company money on expenses
13 approved by the group and issuing stock to investors as
14 directed by the group and signing contracts and agreements when
10:47:57 15 instructed by the group. And while he was involved in
16 preparing false press releases, his accomplices funded a false
17 advertising campaign to fraudulently inflate the price of
18 securities. He also assisted in recruiting straw investors in
19 furtherance of this scheme.

10:48:16 20 However, the Court would note that the
21 defendant's role in this scheme was much more limited than his
22 accomplices and, in fact, that he was directed by his
23 accomplices with respect to all of his activity and
24 additionally, that while all the other accomplices were
10:48:42 25 directly profiting from the sale of the stock, that during the

1 entire time that this scheme was taking place, that the -- that
2 this defendant received a very modest salary for the work that
3 he was doing, which is in contrast to the multiple millions of
4 dollars that were made by all of the other defendants. This
5 defendant was paid a salary that fluctuated from 2500 to \$5,000
6 a month. However, during the period of time that this
7 defendant and his accomplices were involved, they defrauded
8 investors of \$15,604,637.20. Grob was paid a total of \$242,000
9 as compensation for his role in this conspiracy.

10 He faced a much larger guideline range having
11 been convicted of all of the counts; however, he was permitted
12 to plead to one count with a maximum custody period of no more
13 than five years.

14 The Court does not believe that a sentence of
15 probation is sufficient, but believes that a sentence of 12
16 months and 1 day will impress upon this defendant the
17 seriousness of his conduct, the harm he caused to society, and
18 also provide just punishment for his actions, provide
19 deterrence, and promote respect for the law. This sentence is
20 considered sufficient and necessary but not greater than
21 necessary to comply with the purposes and provisions of 18
22 U.S.C. Section 3553(a).

23 Upon release from imprisonment, the defendant
24 shall be placed on supervised release for a term of three
25 years. A term of supervised release is mandated in this case

1 given the expected restitution payment to be due in this case.

2 Within 72 hours of release from the custody of
3 the Bureau of Prisons, the defendant shall report in person to
4 the probation office in the district to which the defendant is
5 released.

6 While on supervised release the defendant must
7 participate in an inpatient or outpatient alcohol abuse
8 treatment program and follow all of the rules of the treatment
9 program. The probation officer will supervise the duration,
10 modality, provider, and location of the program as well as its
11 intensity. You must pay the cost of the program if financially
12 able to do so.

13 You must not use or possess alcohol.

14 You must pay the financial penalty imposed in
15 accordance with the schedule that will be entered in this case.

16 You must submit to substance abuse testing to
17 determine if you've used a prohibitive substance. And you must
18 pay the cost of testing if financially able to do so.

19 You must participate in a mental health treatment
20 program and follow the rules and regulations of that program.

21 The probation officer in consultation with the treatment
22 provider will supervise your participation in the program,
23 including the provider location, modality, duration, and
24 intensity. You must pay the cost of the program if financially
25 able to do so.

10:52:05 1 You must take all mental health medications that
2 are prescribed by your treating physician. You must pay the
3 cost of the medication if financially able to do so.

4 You must provide the probation officer with
10:52:16 5 access to any requested financial information and authorize the
6 release of any financial information. The probation office
7 will share that information with the U.S. Attorneys Office.

8 You are prohibited from possessing any credit
9 access devices, like a credit card, unless you are authorized
10:52:32 10 by the probation officer.

11 You must not engage in any occupation, business,
12 profession, or volunteer activity that would require and enable
13 you to have fiduciary responsibility without the prior approval
14 of the probation officer.

10:52:43 15 You're further ordered to pay to the United
16 States a special assessment of \$100 due and payable
17 immediately.

18 The Court finds that the defendant does not have
19 the ability to pay a fine in addition to the restitution. The
10:52:53 20 Court reserves the right to make a final determination on
21 restitution and amend the judgment to include the restitution
22 amount as soon as it is reasonably able to do so.

23 The defendant shall make a lump sum payment of
24 \$100 due and payable immediately. The balance due will be
10:53:11 25 payable at the rate of \$25 per quarter or 50 percent of any

1 wages while in prison in accordance with the Bureau of Prisons
2 Inmate Financial Responsibility Program. Any balance remaining
3 after release from imprisonment shall be paid in equal monthly
4 installments of no less than \$100 per month to commence 60 days
5 after the date of release to a term of supervision. Payment is
6 to be made through the United States District Clerk's Office,
7 Southern District of Texas.

8 Mr. Martin, do you know of any reason why the
9 sentence should not be imposed as stated?

10 MR. MARTIN: Only requesting that the Court also make
11 the money judgment part of the sentence and include it in the
12 judgment.

13 THE COURT: Okay. The money judgment. And then what
14 did I -- I don't remember how much it was.

15 MR. MARTIN: In this case I believe it was not an
16 exact amount, but it was like 242,000.

17 THE COURT: Did I sign it already?

18 MR. MARTIN: Yes. It's already been signed.

19 THE COURT: Well, let me find it. Hold on.

20 *(Judge conferring with case manager.)*

21 THE COURT: I don't know if it's part of the sentence
22 or not. I don't know how that works. But -- oh, it doesn't
23 say. Do you know? Can you see what it is, Byron? Can you
24 look at it?

25 *(Judge conferring with case manager.)*

10:54:33 1 *THE COURT:* And the Court will make the previous
2 judgment entered in this case, money judgment, for \$242,907.90
3 a part of the judgment in this case.

4 Mr. Ardoin, do you know of any reason why the
10:54:47 5 sentence should not be imposed as stated?

6 *MR. ARDOIN:* No, Your Honor.

7 *THE COURT:* Then the sentence is imposed as stated.

8 Mr. Grob, you can appeal your conviction if you
9 believe that your guilty plea was somehow unlawful or
10:54:57 10 involuntary or if you think that there was some other
11 fundamental defect in the proceedings that was not waived by
12 you. However, a defendant can waive his right to appeal as
13 part of a plea agreement and you entered a waiver of your right
14 to appeal. Those waivers are generally enforceable. If you
10:55:13 15 think yours is unenforceable for some reason, you can present
16 that theory to the Court of Appeals. With few exceptions, any
17 notice of appeal must be filed within 15 days of the date that
18 judgment is entered in this case.

19 Do you understand me, sir?

10:55:25 20 *THE DEFENDANT:* Yes, Your Honor.

21 *THE COURT:* If you're without funds to pay the costs
22 of an appeal, you can apply to the Court for in forma pauperis
23 status and counsel will be appointed for you. Do you
24 understand?

10:55:34 25 *THE DEFENDANT:* Yes, Your Honor.

10:55:35 1 *THE COURT:* Anything else?

2 *MR. MARTIN:* Only the motion and proposed order for

3 dismissal of the remaining counts.

4 *THE COURT:* Okay. Anything else for the defense?

10:55:56 5 *MR. ARDOIN:* If the Court would entertain making a

6 recommendation to the B.O.P. for either Bastrop or Beaumont.

7 *THE COURT:* Okay.

8 *MR. ARDOIN:* And also if you would --

9 *THE COURT:* You don't want to just stay downtown? He

10:56:07 10 can stay downtown, if he wants to.

11 *MR. ARDOIN:* I don't think so, Your Honor.

12 *THE COURT:* It's the further recommendation that the

13 defendant be incarcerated at Bastrop or Beaumont during his

14 term of imprisonment.

10:56:14 15 Anything else?

16 *MR. ARDOIN:* Also, I assume, he's going to be allowed

17 to self report on designation?

18 *THE COURT:* Mr. Martin, any objections?

19 *MR. MARTIN:* No objection.

10:56:21 20 *THE COURT:* All right. Same conditions of release,

21 sir. Have you had any new law violations since you've been on

22 bond?

23 *THE DEFENDANT:* No, ma'am. No, Your Honor.

24 *THE COURT:* Why did you look at your lawyer? You

10:56:32 25 weren't sure?

